

SENATE BILL 3485

By Tate

AN ACT to amend Tennessee Code Annotated, Title 6;
Title 7; Title 13 and Title 67, Chapter 5, Part 25,
relative to sweat equity homestead programs.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-2509(d), is amended by adding the following as a new, appropriately designated subdivision:

(6)

(A) As used in this subdivision (d)(6), unless the context otherwise requires, "sweat equity" means skilled or unskilled labor contributed to increase the value of real property, including, but not limited to, cutting, cleaning, improving, or repairing the property.

(B) There is established a sweat equity homestead program that shall offer eligible individuals or families a homeownership incentive to acquire certain real property in exchange for sweat equity.

(C) In lieu of a sale to private purchasers as provided in subsection (b), the appropriate officers of any municipality or county may convey property acquired in a tax sale to an adjoining property owner at a discount of twenty-five percent (25%) of the list price; provided, it shall be a condition precedent for receipt of such discount that the owner contributes sweat equity in the amount required by the municipality or county pursuant to subdivision (d)(6)(D)(iii).

(D) In establishing a sweat equity homestead program, the proper officers of the municipality or county shall:

(i) Prescribe the form and manner of application for the program as the officers determine necessary to effectuate the purposes of this subdivision (d)(6);

(ii) Make available a program that provides technical and supervisory assistance to adjoining property owners in cutting, cleaning, improving, or repairing the real property;

(iii) Require the adjoining property owner to contribute sweat equity in the amount of at least one hundred (100) aggregate hours for multi-person households and at least fifty (50) hours for single person households prior to receipt of the discount. In determining the amount of sweat equity required, the officers shall balance this requirement against the individual or household members' other commitments, including work or family obligations;

(iv) Determine what type of work the adjoining property owner will perform, when the owner shall contribute the labor and how to balance these requirements against the needs to control costs and to cut, clean, improve or repair the real property in a timely manner;

(v) Determine how to manage and schedule the work of skilled subcontractors whose work is dependent on completion of tasks to be performed by the adjoining property owner; and

(vi) Ensure that the dwellings cut, cleaned, improved or repaired in connection with assistance provided under subdivision (d)(6)(D)(ii) are quality dwellings that comply with local building and safety codes and standards.

SECTION 2. This act shall take effect January 1, 2013, the public welfare requiring it.